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## NOTES AND MEMORANDA.

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STILL another collection of German economic monographs is announced,—the *Volkswirthschaftliche Abhandlungen der badischen Hochschulen*, edited by Professors Fuchs, Herkner, v. Schulze-Gävernitz, and Weber. As the title indicates, the series will publish the results of investigations carried on in the universities of Baden. The first number, by Dr. Liefmann, is duly noted in the current bibliography.

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THE Swiss Assembly has acted favorably on the proposal made to it by the Federal Council for the purchase and management by the state of the principal railway lines of Switzerland. The Council had made its proposal in a message of March 25, 1897; and the main provisions of the bill then submitted are incorporated in the act passed by the Assembly on October 15.

The act provides that the five main lines of Switzerland, with a total length of 2,644 kilometres, shall pass into the hands of the Confederation; namely, the Jura-Simplon (939), the Nord-Ost. (764), the Central (398), the Vereinigte Schweizer (269), the Gotthard (273). As the railways of Switzerland had in 1895 a total length of but 2,949 kilometres, the purchase would lead to a system of practically complete state ownership. The five lines mentioned are to be bought on the terms of purchase reserved for the state in the charters of the several companies; but the Federal Council is authorized also to buy them by agreement with the companies, and, further, to contract for the purchase of other railways and of connecting steamer lines. For four of the main lines the state's right of purchase accrues in 1903, but notice of its intention to exercise the right must be given in February and April of 1898. For the Gotthard line the date for notice is

1904, and that for purchase is 1909. The conditions of purchase are laid down in nearly the same terms in the charters of all the companies: the state may buy on paying twenty-five times the average net earnings of the preceding ten years, but not less than the cost of construction. The Federal Council estimated the total sum needed at 964 millions of francs. As was to be expected, the referendum has been demanded on this important question; and the popular vote will be taken in February.

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THE first issue of *L'Année Sociologique* is announced for the beginning of 1898 by the firm of F. Alcan, Paris, under the editorial charge of Professor M. E. Durkheim, of Bordeaux. The new annual will publish papers and memoirs and systematic surveys of the literature of sociology. The papers in the first volume are two,—*La Prohibition de l'Inceste et ses Origines*, by the editor, and *Comment les Formes Sociales se maintiennent*, by Professor Simmel. The literary notices are grouped under the heads of general sociology, religious sociology, legal and moral sociology, criminal sociology, economic sociology, and the like, each section being in charge of one or more reporters. The price of the volume is 7.50 francs.

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THE firm of G. Fischer, Jena, announces a *Wörterbuch der Volkswirtschaft*, under the editorial charge of Professor E. Elster. A number of German scholars, mainly of the younger generation, will contribute. The *Wörterbuch* will be in two large volumes of some 1,000 pages each, of which the first is expected to be published in the spring. The price for the entire work will be 20 marks. It is designed to give "an exposition, popular in the best sense, and strictly scientific, of the present stage of economic knowledge."

The same firm continue the supplementing and revision of the larger and fuller *Handwörterbuch der Staatswissenschaften*, already favorably known to students of economics and politics. An additional supplementary volume for the first edition is

now in press, and will be issued shortly. Almost simultaneously the publication of a new and completely revised second edition of the entire *Handwörterbuch* will begin. The first instalment of the new edition is to appear in June of 1898, and the whole is expected to be in the hands of subscribers within three years from that date.

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THE plan proposed by the Secretary of the Treasury for segregating the redemption fund from the other holdings of the Treasury, and retaining greenbacks and treasury notes redeemed by it until such time as they are called for in exchange for gold, is generally recognized as striking at a glaring defect in the present system of redemption. So long as the United States issue redeemable paper, some arrangement on the principle adopted by Mr. Gage is indispensable, if the country is to escape a repetition of the calamities of the last four years. Such an arrangement is, in fact, the logical complement of the Resumption Act itself.

Some signs of disappointment have been shown, however, that the programme to which Mr. Gage committed himself in his annual report should have been confined to the limits which he then felt it necessary to observe. But it was made clear by Mr. Gage at the hearing before the House Committee on Banking and Currency, December 16 and 17, that the reform which he has entered upon goes far beyond the immediate scope of the measures proposed to Congress. On presenting his banking bill to the committee, Mr. Gage informed them that his objects were to commit the country more thoroughly to the gold standard, to strengthen the Treasury in its relation to the demand liabilities resting upon it, to do this in such manner as not to contract the volume of the circulation, and to take initial steps towards a system of bank issues without a conditional deposit of bonds. Upon the question being asked by one of the committee whether the result would not be the eventual use of one kind of paper—that is, bank notes—and of no silver except subsidiary silver, Mr. Gage is reported to have answered somewhat cautiously, but significantly: “There

is nothing in the limited measure proposed to bring about the condition of affairs that your question contemplates. It is in a direction which, if pursued by further legislation to an ultimate conclusion, might lead to the result that you suggest." But he would not say that silver would be limited to subsidiary silver. "I should say a system of silver circulation which would be subordinate. It is a subordinate system now."

Opinions may differ as to the manner in which it is expedient to attack such problems as are here foreshadowed, but there can be no question that Mr. Gage has a distinct vision of their range. It is also certain that upon him rests the responsibility for selecting the mode of approach.

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THE bill extending the privilege of the Bank of France, passed by the Chamber of Deputies last July, was adopted without change by the Senate in November, and took effect January 1. Under this law the bank continues to be the only bank of issue in France until December 31, 1920, unless in the course of 1911 the Chambers require the termination of the privilege December 31, 1912. In most of its provisions the law as adopted is identical with the bill presented by M. Rouvier in 1891 and discussed in M. Burdeau's report; but, when it differs, it is generally in order to conform to the obvious tendency of legislative opinion in favor of imposing upon the bank more onerous conditions as the price of its exclusive privilege.

Under the new law, besides a fresh advance of 40,000,000 francs to the treasury, the abandonments of interest upon advances amounting in all to 180,000,000 francs, and some increase of its gratuitous services to the government and to the public, the bank is now for the first time required to make an annual payment to the state in cash. In 1891 it was proposed to make this a fixed payment of 2,000,000 francs per annum; but, in passing the present law, it was determined to make it a payment proportional to the profit derived by the bank from its issue. For this purpose an ingenious use was made of the arrangement by which for some years the stamp

duty has been assessed on what is called the productive circulation of the bank. It is assumed for that purpose that the profitable part of the note issue is fairly represented by the amount of loans, discounts, and advances upon which the bank makes its earnings. Upon the same amount is henceforth to be calculated the annual payment, taking one-eighth of the rate of discount as the rate at which payment is to be made. Thus, if for 1896 the average productive circulation was 1,095,400,000 francs and the rate of discount 2 per cent., the annual payment would have been  $0.025 \times 1,095,400,000$  francs, or 2,738,500 francs. In the fourteen years ending with 1896 the annual payment required from the bank by this mode of calculation would have averaged 3,500,000 francs.

On the final passage of the bill in the Chamber of Deputies, July 1, the division stood 396 for and 91 against its adoption. At a previous stage, June 10, a motion looking towards the substitution of a national bank for the Bank of France was rejected by a vote of 114 for and 405 against. The movement in favor of some change by which banking facilities should be afforded to agriculturists was stronger. A motion to postpone the Bank of France bill until the government should also present one for agricultural credit received 174 votes, 362 opposing it, June 22; and one requiring the Bank of France to place 500,000,000 francs, at  $\frac{1}{2}$  of 1 per cent. interest, at the disposition of a *Crédit Agricole* to be organized by law, received 178 votes, with 338 opposing it, June 24. By the law as passed the 40,000,000 francs to be advanced by the bank to the treasury, and the annual payments to be made as above stated, are to be reserved by the treasury and carried to a special account until provision is made by law for the creation of one or more establishments for agricultural credit, when they are presumably to be used for the aid of such establishment. The Bank of France is also now authorized, in making its discount, to accept the signature of agricultural syndicates as well as of commercial bodies or persons.